

processed foods. It does not cover tea. However, in response to an earlier question, I had already mentioned that there was freight subsidy scheme available for tea exports through Amingaon. But, as far as the overall transport subsidy scheme is concerned, it is restricted to horticulture products, in which there has been a liberalisation.

I want, through you, Sir, to bring to the attention of the hon. Member that recently we have increased the quantum of subsidy. It is 90 per cent of airfreight subsidy to Kolkata Airport and, for the first time, 50 per cent of subsidy to Delhi Airport and to Mumbai Airport because these two airports have better connectivity with overseas markets. So, we have substantially liberalised the freight subsidy scheme for other products. But, I am afraid, for tea, Sir, the freight subsidy scheme operates only through Amingaon.

MR. CHAIRMAN: Question No. 305.

**Market forces discriminating in fixing tobacco prices**

\*305. SHRI PENUMALLI MADHU: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Ministry is aware of the market forces that are discriminating in fixing prices and exports of export variety Tobacco between the States; and

(b) if so, what is the share of exports from Karnataka and Andhra Pradesh?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH):

(a) No, Sir. No such matter has come to the notice of the Government.

(b) Does not arise.

SHRI PENUMALLI MADHU: Sir, the Minister, in his reply, denied....

MR. CHAIRMAN: Honourable Minister.

SHRI PENUMALLI MADHU: Sorry, Sir. The hon. Minister has denied that there is any discrimination being practiced by market forces in giving good price to farmers. There have been a lot of complaints in Andhra Pradesh against discrimination being practised by these market forces in Karnataka against farmers. Will the hon. Minister assure the House that he will inquire into the complaints regarding this discrimination?

SHRI JAIRAM RAMESH: Sir, as a Member who represents Andhra Pradesh, but born in Karnataka, I would like to assure the hon. Member that there is absolutely no discrimination, whatsoever, against the tobacco farmers of Andhra Pradesh. The tobacco that is grown in Karnataka, commands a premium because it is of better quality, it is accepted in international markets and it is because of that reason that the auction price of Karnataka tobacco is higher than that of Andhra tobacco.

But, I do want to bring to the attention of the hon. Member that in 2006, for the first time, tobacco farmers of Andhra Pradesh have got an auction price of forty-six rupees a kg., which is over ten rupees a kg. higher than the average for the past fifteen years. So, it is not true to say that tobacco farmers of Andhra Pradesh are getting a raw deal.

SHRI PENUMALLI MADHU: Sir, is it not a fact that Karnataka market begins one month or two months in advance than the Andhra market and the market forces there take advantages of this? Andhra's is the biggest market. The traders in Karnataka take advantage of the Karnataka market because the market there begins one month or two months in advance than the Andhra market. For this reason, despite the best quality of tobacco that Andhra is producing, the tobacco from Karnataka is getting a higher price in the market. (*Interruptions*)

SHRI RAVULA CHANDRA SEKAR REDDY: He is totally correct, Sir.

SHRI JAIRAM RAMESH: Sir, there is no room for parochialism in this. The auction in Andhra Pradesh takes place between January and June. The auction in Karnataka takes place between September and March. As I have already mentioned, the fact of the matter is that Karnataka tobacco commands a premium because it is of better quality as a filler in international markets. Although 60 per cent of the total flue-cured Virginia tobacco that we export is from Andhra Pradesh, the fact of the matter is that the Karnataka tobacco commands a higher premium and that is because it is of better quality. The answer to the hon. Member's concern is to improve productivity and practices.. (*Interruptions*)... and quality in Andhra Pradesh, it is a programme that the Tobacco Board has taken up. The Tobacco Board is headquartered in Guntur, and it is the endeavour of the Tobacco Board to bring productivity levels in Andhra Pradesh on par with those exist in Karnataka. Sir, I want to, once and for all, — because this has come up over and over again — debunk this theory that there is some

conspiracy against Andhra Pradesh in favour of Karnataka. There is absolutely no conspiracy whatsoever. And, as I have mentioned to you, tobacco farmers, this year, in Andhra Pradesh, have got a much higher price. ...*(Interruptions)*... Sir, because of this cross talk, I can't hear what the hon. Member is saying ...*(Interruptions)*... Sir, there is too much of cross talk ...*(Interruptions)*...

SHRI V. NARAYANASAMY: Sir, what Shri Jairam Ramesh was doing before his becoming the Minister? ...*(interruptions)*...

SHRI C. RAMACHANDRAIAH: Sir, in terms of quantum of production, Andhra is the leading producer in the country, and it is contributing the greatest amount to the kitty of the country. Because of its largest contribution in production of Tobacco, the office of the Tobacco Board has been located at Guntur in Andhra Pradesh. Is it true—it is widely debated in Andhra Pradesh—that a note has been circulated that an Andhraite should not be appointed as the Chairman of the Tobacco Board? Sir, this issue is being widely debated in Andhra Pradesh.

SHRI JAIRAM RAMESH: Sir, there is absolutely no note that has been circulated that an Andhraite should not be appointed or should be appointed. The best person who is available will be appointed, irrespective of whether he is an Andhraite or a non-Andhraite.

SHRI C. RAMACHANDRAIAH: Don't you find that an Andhraite is a good man? ...*(Interruptions)*...

DR. K. MALAISAMY: Sir, I love to listen more and more to the hon. Minister who is well-informed. Sir, for his relaxation, I will come to a general question, rather than going very specific. Sir, in fixation of prices, many market forces, namely, economic forces are acting, in such a situation, I am told that there are other factors, other forces, other than economic factors, which are responsible for fixing the price. Can you explain what are those factors?

SHRI JAIRAM RAMESH: Sir, the real problem in tobacco auction—and this is a problem that was raised by the hon. Member who raised the question—arises from the fact that the number of buyers is limited. Three buyers account for 65 per cent of the tobacco that is purchased. So, it is some sort of an oligopsony in which the buying is monopolised by only two or three people; three big players command the market. In fact, one

big player—whose name I don't want to take on the floor of the House—commands 50 per cent of the buying market. So, Sir, I have taken the position, and I want to assure the hon. Member that the only way to bring about transparency in prices is to go to e-auction. We must bring electronic auction. We are doing electronic auction in tea; we are doing electronic auction in cardamom, and it is my hope, in the next one year, we will be able to bring about electronic auction in tobacco as well. Only through electronic auction, will we be able to break the stranglehold of a few buyers who are not giving the full benefits of a better price to tobacco farmers.

#### **Employment generation under new economic reforms**

\*306. SHRI ABU ASIM AZMI: Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) the details of employment opportunities generated under the new economic reforms, during the current financial year;
- (b) the target of employment opportunities expected to be generated during the next financial year; and
- (c) the reaction of the Union Government on the achievements of the targets fixed?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES): (a) to (c) A Statement is laid on the Table of the House.

#### ***Statement***

##### *Employment generation under new economic reforms*

Reliable estimates of employment and unemployment are obtained through quinquennial National Sample Surveys carried out by the National Sample Survey Organisation. Last such survey for which results have been published relates to the year 2004-05. As per these surveys, the employment, as per usual status approach which was of the order of 397 million in 1999-2000 has gone up to 459 million in 2004-05. On an average, therefore, around 12.4 million persons were provided employment per year during the period 2000-05.

Tenth Plan envisaged creation of around 50 million employment opportunities; 30 million through normal growth process and 20 million